

التاريخ : ٢٠١٧/٠٥/١٥

الرقم : ٢٠١٧/ sura /٤٠

السادة/ بورصة عمان المحترمين

تحية طيبة وبعد،،،

الموضوع : البيانات المالية باللغة الانجليزية

بالإشارة الى الموضوع اعلاه نرفق لكم نسخة من البيانات المالية لشركة سرى للتنمية والاستثمار
عن الفترة المنتهية بتاريخ ٢٠١٦/١٢/٣١ و الربع الاول من العام ٢٠١٧ باللغة الانجليزية .

وتفضلوا بقبول فائق الاحترام والتقدير ،،،

رئيس مجلس الادارة

محمود محمد مدحت الشامي



بورصة عمان	
الدائرة الإدارية والمالية	
الديوان	
١٥ أيار ٢٠١٧	
الرقم المتسلسل:	3156
رقم الملف:	31283
الجهة المختصة:	Handwritten signature

**SURA DEVELOPMENT AND INVESTMENT
COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**CONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANT'S
REPORT
YEAR ENDED DECEMBER 31, 2016**

SURA DEVELOPMENT AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANT'S REPORT
YEAR ENDED DECEMBER 31, 2016

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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the shareholders of
Sura Development and Investment Company

Report on the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Sura Development and Investment Company (P.L.C), which comprise of the consolidated statement of financial position as of December 31, 2016, and the related consolidated statements of comprehensive income, consolidated Statement of owners' equity and consolidated statement of cash flows, for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except the aforementioned effects in the qualification basis paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position of Sura Development and Investment Company (P.L.C) as of December 31, 2016, and its consolidated financial performance and consolidated cash flows for the year then ended are in accordance with International Financial Reporting Standards.

Qualification Basis

The company has not registered its investment in the shares of Awtad for multiple investments (P.L.C), that was purchased upon the agreement of Amwal Invest and so the investment of JD 1,450,000 has been reclassified as an account receivable to Amwal Invests on December 31, 2012, the ability of collecting this amount depends on Amwal Invests ability to payback.

We conduct our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in Auditor's Responsibilities for the audit of the Financial Statements. We are independent of the company in accordance with International Standard Board Code of Ethics for professional accountants ("the code") and we have fulfilled our other ethical responsibilities in accordance with the code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

Emphasis of matter

On January 25, 2017 the court issued a ruling on case no. 200/2013, which was filed on previous board of directors Mr. Mutasem Al fauri and Fayez Al fauri and obliged compensate Sura Development and Investment Company by JD 7,058,582 for the damage and legal fees, as this decision by the court can be appealed.

Key audit matters

Key audit matters, according to our professional judgment are matters that had the significant importance in our auditing procedures that we performed to the consolidated financial statement. The basic auditing matters have been addressed in our auditing workflow to consolidated financial standards as we do not express separate opinions.

Real Estates Investment

In accordance with the international financial reporting standard, The Company chose to record the real estate investment at cost, so the company has to perform an impairment test and in case of any impairment indication, impairment losses are determined according to the followed policy. And considering its significance, it is an important and it risk.

Followed procedures within key audit matters**Real Estates Investment**

Auditing procedures involved internal control procedures used in existence and completeness. And an indication has detected by experts in 2012 that there has been impairment and the company calculated the impairment loss accordingly and there has been no indication after the determination of losses. In 2017 social security department accepted the proposal by the company to sell the land by JD 5,325,000 on January 26, 2017, which indicates no impairment in the value of land.

Other information

The management is responsible for other information. This includes other information reported in the final report, but not included in the consolidated financial statements and our audit report on it.

Our opinion does not include these other information, and we do not express any assertion over it.

Our opinion does not include these other information, and we do not express any assertion over it regarding our consolidate financial statement we are obliged to review these other information, and while that, we consider the compatibility of these information with their consolidates financial statement. If we detected based on our audit, the existence of significant errors in the information, we are obliged to report this fact. Regarding this, we have nothing to report.

Management responsibility of the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. And for such internal control, management is determined to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Certified public accountant responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require us to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

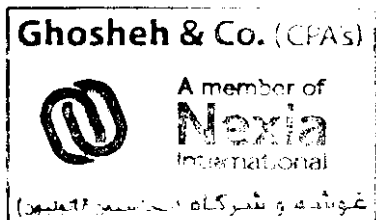
As part of an audit in accordance with The International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the initial Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the Going Concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the initial Financial Statements, including the disclosures, and whether the initial Financial Statements represent the underlying transactions and events in a manner that achieves Fair Presentation.

- ## Legal requirements report

The Company maintains proper books of accounts and the accompanying consolidated financial statements and the consolidated financial statements contained in the report of the board of directors in accordance with the proper books of accounts.

Sinan Ghosheh
License No.(580)



Amman- Jordan
February 11, 2017

SURA DEVELOPMENT AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	2016	2015
ASSETS			
Non-current assets			
Property and equipment	4	1,012	1,742
Investments in real estates	5	5,005,500	5,005,500
Total non-current assets		5,006,512	5,007,242
Current assets			
Prepaid expenses		10,476	1,550
Accounts receivables	6	1,450,000	1,450,000
Financial assets designated at fair value through statement of comprehensive income	7	26,751	26,751
Total current assets		1,487,227	1,478,301
TOTAL ASSETS		6,493,739	6,485,543
LIABILITIES AND OWNERS' EQUITY			
Owners' equity			
Share capital	1	11,500,000	11,500,000
Statutory reserve	10	140,622	140,622
Accumulated Losses		(5,564,328)	(5,542,113)
Total owners' equity		6,076,294	6,098,509
Current liabilities			
Accrued expenses and other liabilities	9	68,135	74,774
Due to related parties	11	91,975	86,730
Accounts payable		109,566	77,761
Deferred cheques	8	147,769	147,769
Total current liabilities		417,445	387,034
TOTAL LIABILITIES AND OWNERS' EQUITY		6,493,739	6,485,543

Chairman of Board of Directors

General Director

Chief Financial Officer

The accompanying notes are an integral part of these financial statements

SURA DEVELOPMENT AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	2016	2015
General and administrative expenses	12	(42,215)	(34,374)
Other revenues and expenses		20,000	-
Net loss		(22,215)	(34,374)
Other comprehensive income :		-	-
Total comprehensive income for the year		(22,215)	(34,374)
Earnings per share:			
Earnings per share-JD/Share		(0,002)	(0,003)
Weighted average of outstanding shares		11,500,000	11,500,000

The accompanying notes are an integral part of these financial statements

SURA DEVELOPMENT AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF OWNERS' EQUITY
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Accumulated losses	Total
Balance at January 1, 2015	11,500,000	140,622	(5,507,739)	6,132,883
Comprehensive income for the year	-	-	(34,374)	(34,374)
Balance at December 31, 2015	11,500,000	140,622	(5,542,113)	6,098,509
Comprehensive income for the year	-	-	(22,215)	(22,215)
Balance at December 31, 2016	11,500,000	140,622	(5,564,328)	6,076,294

The accompanying notes are an integral part of these financial statements

SURA DEVELOPMENT AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	2016	2015
OPERATING ACTIVITIES		
Net loss for the year	(22,215)	(34,374)
Adjustments for loss for the year:		
Deprecation	730	855
Changes in operating assets and liabilities:		
Prepaid expenses	(8,926)	(310)
Accrued expenses and other liabilities	(6,639)	2,219
Due to related parties	5,245	26,820
Accounts paybles	31,805	4,790
Cash used in operating activities	-	-
Net change in cash and cash equivalents	-	-
Cash and cash equivalents, January 1	-	-
Cash and cash equivalent, December 31	-	-

The accompanying notes are an integral part of these financial statements

SURA DEVELOPMENT AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

1. ORGANIZATION AND ACTIVITIES

Sura Development and Investment Company (the "Company") registered as Public Shareholding Company under No. (453) of the companies controller on May 19, 2008 the company had the right to proceed with the business. The company's authorized and paid up capital is JD 11,500,000 divided into 11,500,000 shares each for of JD 1. The main activity of the company is to contribute to other companies, establishment and management of tourist hotels, owning agencies, patents, movable and immovable assets to carry out the objectives of the company and borrowing the necessary funds from banks.

The company located at Amman.

On December 31, the consolidated financial statement contained the subsidiaries' financial statements as follows:

Subsidiary company name	Registration place	Share Capital	Vote and equity percentage	Principal activity
Sura Seconed Hotels and Tourist Resorts Development Company	The Hashemite kingdom of Jordan	10,000	100 %	Housing and Construction Projects
Nour Jordan Consulting Company	The Hashemite kingdom of Jordan	1,000	100 %	Real estate investments

On December 31, the consolidated financial statement for Nour Jordan Consulting contained the subsidiaries' financial statements as follows:

Subsidiary company name	Registration place	Share Capital	Vote and equity percentage	Principal activity
Sura Hotels and Tourist Resorts Development Company	The Hashemite kingdom of Jordan	50,000	100 %	Purchasing land and Construction hotels

SURA DEVELOPMENT AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

According to net equity method, the Company's share in subsidiaries gains for the year ended December 31, passed on net equity method are as follows:

A- Nour Jordan Consulting Company

	2016	2015
The beginning balance of investment	-	-
Company share of losses from investment	(5,208)	(580)
Amortize investment losses in investment company account	5,208	580
The investment balance at December 31,	-	-

B- Sura Second Hotels and Tourist Resorts Development Company

	2016	2015
The beginning balance of investment	7,512	7,802
Company's share of losses from investment	(470)	(290)
The investment balance at December 31,	7,042	7,512

The net book value in investment in subsidiaries Nour Jordan Consulting Company (Ltd) is as follow:

C- Sura Hotels And Tourist Resorts Development Company

	2016	2015
The beginning balance of investment	47,626	22,916
Company's share of losses from investment	(4,748)	(290)
The investment balance at December 31,	42,878	22,626

The subsidiaries assets, liabilities and major item of assets and liabilities as of December 31, are as follows:

A- Sura Second Hotels and Tourist Resorts Development Company

	2016	2015
Total assets	11,362	11,362
Total liabilities	4,320	3,850
Total owners' equity	7,042	7,512
loss for the year	(470)	(290)
Share capital	10,000	10,000

B- Nour Jordan Consulting Company

	2016	2015
Total assets	5,050,872	4,999,705
Total liabilities	58,115	1,740
Total owners' equity	4,992,757	4,997,965
Loss for the year	(5,208)	(580)
Partner current account	4,998,705	4,998,705

SURA DEVELOPMENT AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

The subsidiary assets, liabilities and major items of assets and liabilities for the subsidiary of Nour Jordan Consulting Company as of December 31, is as follows:

C- Sura Hotels and Tourist Resorts Development Company

	2016	2015
Total assets	5,051,042	5,005,500
Total liabilities	56,085	5,795
Total owners' equity	4,994,957	4,999,705
loss for the year	(4,748)	(290)
Real estate investment	5,005,500	5,005,500
Share capital*	50,000	25,000

*On June 8, 2016, the Company paid the rest of its capital through a cash deposit. The new company's capital amounted to JD 50,000.

2. NEW AND REVISED STANDARDS AND AMENDMENTS TO IFRSs ISSUED BUT NOT YET EFFECTIVE:-

The following new standards and amendments to the standards have been issued but not yet effective and the Company intends to adopt these standards, where applicable, when they become effective.

<u>New Standards</u>	<u>Effective Date</u>
(IFRS) No.9 – Financial Instruments	January 1, 2018
(IFRS) No.15 – Contract Revenues	January 1, 2016
(IFRS) No.16 – Leases	January 1, 2019

Board of directors of the company expects that the application of these standards and interpretations will not have a substantial impact on the Company's financial statements.

SURA DEVELOPMENT AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the International Accounting Standard no. 34

Basis of preparation

These consolidated financial statements, were presented in Jordanian Dinar as the majority of the Company's transactions are recorded in the Jordanian Dinar.

The consolidated financial statements have been prepared on historical cost basic, However financial assets and financial liabilities are stated at fair value. The following is a summary of significant accounting policies applied by the Company.

Basis of consolidation financial statements

The consolidated financial statements incorporate the financial statements of Afaq Holding Investment and Real Estate Development Company (Public Shareholding Company) and the subsidiaries controlled by the Company.

Control is achieved where the Company:

- Ability to exert power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- Ability to exert power over the investee to affect the amount of the investor's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries above.

When the Company has less than a majority of the voting, The Company shall have control over the investee when the voting rights sufficient to give it the ability to direct relevant activities of the investee individually.

When The Company reassesses whether or not it controls an investee, it consider all the relevant facts and circumstances which includes:

- Size of the holding relative to the size and dispersion of other vote holders
- Potential voting rights, others vote-holders, and Other parties
- Other contractual rights
- Any additional facts and circumstances may indicate that the company has, or does not have, the current ability to direct the activities related to the time needed to make decisions, including how to vote at previous shareholders meetings.

The consolidation process begins when the company's achieve control on the investee enterprise (subsidiary), while that process stops when the company's loses control of the investee (subsidiary). In particular Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement, and the consolidated comprehensive income statement from the effective date of acquisition and up to the effective date of which it loses control of a subsidiary Company.

SURA DEVELOPMENT AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

Financial assets designated at fair value through statement of comprehensive income

Financial assets are classified as at fair value through statement of income when the financial asset is either held for trading or it is designated as at fair value through statement of income. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through statement of income upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at fair value through statement of income.

Financial assets at fair value through statement of income are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the consolidated income statement.

Expenses

General and administrative expenses include direct and indirect costs which are not specifically part of production costs as required under Generally Accepted Accounting principles. Allocations between general and administrative expenses and cost of sales are made on a consistent basis when required.

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

Accounts receivable

Accounts receivable are stated at invoice amount less any provision when there is an indication that the receivable may not be collected.

SURA DEVELOPMENT AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for services received, whether or not claimed by the supplier

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the consolidated statement of financial position only when there are legal rights to offset the recognized amounts, the Bank intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

The use of estimation

The preparation of financial statements and the application of accounting policies required of the Company's management to make estimates that affect the amounts of financial assets and liabilities and disclosure of contingent liabilities, these estimates also affect the revenues, expenses and provisions. As well as changes in fair value that appears in the owners' equity.

In particular, required of the Company's management to issue important judgments to estimate the amounts of future cash flows and its times. Mentioned that the estimates are shown necessarily on the assumptions and multiple factors have a varying degree of appreciation and uncertainty and that actual result may differ from estimates. As a result of changes resulting about the conditions and circumstances of these estimates in the future. We believe that our estimates in the consolidated financial statements are reasonable, detailed as follows:-

Impairment losses on receivable. Impairment losses are reviewed within the foundations established by the administration and International Financial Reporting Standards. The management reviewed periodically of financial assets which are stated at cost to assess any decline in its value.

This declining is recorded in the statement of comprehensive income.

Adoption of estimate useful lives of intangible assets periodically for the purpose of calculating depreciation declining losses is (if any) recorded in the consolidated statement of comprehensive income.

The sector report

The business sector represents a collection of assets and operation engaged together in providing product or services subjected to risks and returns that are different from those of other business sectors, which are measured according to the reports that are used by the executive director and the main decision-makers in the Company.

SURA DEVELOPMENT AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

The Decline in value of the financial assets

In date of each consolidated statement of financial position, values of the financial assets have been reviewed, to determine if there is any indication to decline in its value.

As for the financial assets such as trade accounts receivable and assets were evaluated as individual low-value, were evaluated for the decline in the value on a collective basis. The substantive evidence for decline in portfolio of the accounts receivable includes the past experience about the collection of payments. And the increase in the number of the late payments portfolio (which it's beyond the rate of borrowing) also it includes the significant changes in the international and local economic conditions that are related with non-collection of accounts payable.

The Reduce in the listed value of the financial assets is the amount of loss decline of value directly. And this is for all the financial assets except the trade accounts receivable as the listed value had been reduced by provisions accounts. When is one of the accounts receivables are non-collected then write off the amount of this debt and the equal amount from account of provisions.

The changes in the listed value for the provisions account recognized in the consolidated statement of comprehensive income.

As for the ownership equity tools which are available for sale, decline losses are not closed in the recognized value in the comprehensive income statement. However any increase in the fair value becomes after decline loss has recognized directly in consolidated owner's equity statement.

De-recognition

The Company cancels the derecognizing the financial assets only when the contractual rights about the receipt of cash flows from the financial assets had ended, and substantially all the risks and benefits of the ownership that belong to another firm. In the case of the Company doesn't transfer or retain substantially the risks and benefits of the ownership and continues its control of the transferred assets, the Company in this case recognizes it's share retained in the transferred assets and the related liabilities in the limits of the amounts excepted to be paid . In the other case, when the Company retained substantially all risks and benefits of the ownership of the transferred assets, the Company will continue to recognize the financial assets.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method. The estimated rates of depreciation of the principal classes of assets are as follows:

	Annual Depreciation Rate
Computer	15-20%
Electrical equipments	10-15%

SURA DEVELOPMENT AND INVESTMENT COMPANY
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

Useful lives and the depreciation method are reviewed periodically to make sure that the method and amortization period appropriate with the expected economic benefits of property and equipment. Impairment test is performed to the value of the property and equipment that appears in the Statement of Financial Position When any events or changes in circumstances shows that this value is non-recoverable.

In case of any indication to the low value, Impairment losses are calculated according to the policy of the low value of the assets At the exclusion of any subsequent property and equipment, recognize the value of gains or losses resulting, Which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the Statement of Financial Position, Gross Profit and loss.

Financial assets at amortized cost

Financial instruments such as notes receivable, receivables, finance lease payments, bank loans, loans and other securities and expenses due to others are stated at amortized cost using the effective yield method after any impairment loss has been deducted.

The decline in value of the non-current assets

The decline in value of the non-current assets, in the date of each consolidated statement of financial position the Company reviews the listed values for it's assets to specify if there is an indication to decline losses of the value. If there is an indication to that, the recovery value of the asset will be appreciated to determine the loss of decline in the value if it occurs. In case, in ability to appreciate the recovery value of specific asset. The company estimate the recovery value for unit producing of cash that related in the same asset .when there is ability to determine basis of distribution that is fixed and reasonable, the joint assets distribute to units producing of cash that related in the same asset. the common assets distribute to specific units producing of cash or it is distributed to specific units producing of cash or it distribute to smallest group from units producing cash that can determine basis of distribution fixed and reasonable for it.

The Recovery value is the fair value of asset minus the cost of sale or used value whichever is higher.

In case, the recovery value of an asset (or the unit producing of cash) is estimated lower than the listed value, reduce the listed value for asset should be reduced (or unit producing of cash) to the recovery value. Losses of the decline recognized directly in the comprehensive income statement unless the asset that is re-evaluated then losses are recorded of the decline as a reduction from re-evaluated provision.

SURA DEVELOPMENT AND INVESTMENT COMPANY
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

Investments in real estates

Investments in land are stated at cost (in accordance with IAS 40). The Company's criteria for recording its real estate investments are either at cost or at fair value provided that there is no impediment to the ability to reliably determine the value of the investment. The management has chosen the cost to record its investments in the lands.

The provisions

The provision had been formed, when the Company has a present obligation (legal or expected) from past events which its cost of repayment consider accepted and it has ability to estimate it reliably.

The provision had been measured according to the best expectations of the required alternative to meet the obligation as of the consolidated statement of financial position date after considering the risks and not assured matters about the obligation. When the provision is measured with the estimated cash flows to pay the present obligation, then the accounts receivable are recognized as asset in case of receipt and replacement of the amount is certain and it able to measure the amount reliably.

Income tax

The company is subject to Income Tax Law and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income. According to International Accounting Standard number (12), the company may have deferred taxable assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the financial statements since it's immaterial.

Foreign currency translation

Foreign currency transactions are translated into Jordanian dinar at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at the date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of comprehensive income.

4. PROPERTY AND EQUIPMENT

	January 1	Additions	Disposal	December 31
Cost:				
Computers	2,906	-	-	2,906
Electrical equipments	2,893	-	-	2,893
Total cost	5,799	-	-	5,799
Depreciation:				
Computers	2,494	412	-	2,906
Electrical equipments	1,563	318	-	1,881
Total depreciation	4,057	730	-	4,787
Book value at January 1	1,742			
Book value at December 31				1,012

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5. INVESTMENTS IN REAL ESTATES

The records of Sura Hotels And Tourist Resorts Development Company (Which is wholly owned by Nour Jordan Consulting Company which is wholly owned by Sura Development and Investments Company) the possess of land No. 1003, Basin Muraba'at Mosa No. 10 of west Amman lands-Wadi Al-Seer village with an area of 4,260 square meter on the 9th of October 2008, the purchase value was JD 8,500,000 plus registration fees and converting the property use from residential (A) to local commercial expenses which is paid to greater Amman municipality and other expenses, where the total fees and other expenses amounted to JD 1,105,612 so the total cost amounted to JD 9,605,612, on of December 31, 2010 the average market value for the land was JD 5,005,500 based on estimations of four real estate experts during 2016, which required applying impairment test on this land where the resulted amount of impairment is JD 4,600,112.

On December 1st 2013 the land has been estimated by three licensed real estate estimators where the average estimation was JD 5,112,000.

	2016	2015
Real Estates Investments Cost	9,605,612	9,605,612
Real Estates Investments Impairment Provision	(4,600,112)	(4,600,112)
	<u>5,005,500</u>	<u>5,005,500</u>

6. ACCOUNTS RECEIVABLES

	2016	2015
Due from Amwal Invest *	1,450,000	1,450,000
	<u>1,450,000</u>	<u>1,450,000</u>

*The required balance of Invest is made from installments submitted to the purchase of the prohibited trading shares of the company of Awtad for Multiple Investments amount to (966,667) shares at a cost of JD (1,5) and a total value of JD 1,450,000 paid by The company with checks and remittances to Amwal Invest and the amount of JD 1,450,000 has been reclassified to Amwal Invest Company Amwal Invest Company was unable to transfer ownership of these shares to Sura Development and Investment Company.

7. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH STATEMENT OF COMPREHENSIVE INCOME

	2016	2015
Al-Ahlia for Projects Company* No. 25000	26,750	26,750
Akary For Industries and Real Estate Investments* No. 1	1	1
Awtad for Multiple Investments Company** No. 403,850	-	-
	<u>26,751</u>	<u>26,751</u>

*The aforementioned shares are not outstanding in Amman Stock Exchange.

**The shares of Awtad Company were blocked and a provision of JD 549,236 was made, which is identical to the value of the investment at the last closing price on the Amman Stock Exchange.

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8. DEFERRED CHECKS

This item represents the value of the checks paid to the Greater Amman Municipality, for proceeds allowance of organizing the land owned by Sura Development and Investment Company which amounted to JD 319,500 on March 11, 2009 divided into 80 checks each for JD 3,994 in which JD 171,731 is paid.

This item consists of the following:

	2016	2015
Deferred checks	147,769	147,769
	<u>147,769</u>	<u>147,769</u>

9. ACCRUED EXPENSES AND OTHER LIABILITIES

	2016	2015
Accrued expenses	30,534	26,663
The board of directors remuneration provision	6,920	6,920
The board of directors transportation	6,350	15,750
Scientific Research support	11,559	11,559
Jordanian Universities provision	11,559	11,559
Due to income tax	-	1,610
Other payable	1,213	713
	<u>68,135</u>	<u>74,774</u>

10. STATUTORY RESERVE

In accordance with the Companies' Law in the Hashemite Kingdom of Jordan and the Company's Article of Association, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 25% of the capital. However, the Company may, with the approval of the General Assembly continue deducting this annual ratio until this reserve is equal to the subscribed capital of the Company in full. This reserve is not available for dividends distribution.

11. RELATED PARTIES TRANSACTIONS

During the year the company made the following transactions with the board of directors and general manager:

	2016	2015
Board of Director's transportation	1,700	1,400
Board of Director's remuneration	1,700	1,400

During the year, the Company made the executed transactions with the related parties:-

NAME	RELATIONSHIP
Al Faisaliah for investment company	Sister Company
Arabian development for food industry company	Sister Company
Mr. Mahmoud Mohammed Medhat Ibrahim Al shame	Current board of director chairman
Mr. Faisal Al bashiti	Former board of director chairman

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Due from related parties as at December 31 contains as the following:

	2016	2015
Al Faisaliah for investment company	-	3,406
Arabian development for food industry company	-	75,931
Mr. Faisal Al bashiti	-	7,393
Mr. Mahmoud Mohammed Medhat Ibrahim Al shame	91,975	-
	<u>91,975</u>	<u>86,730</u>

12. GENERAL AND ADMINISTRATIVE EXPENSES

	2016	2015
Salaries and wages and other benefits	700	350
Stationary and printing	752	28
Telephone, post-mail and telegraph	918	3,973
Depreciation	730	855
Professional and consultancy fees	12,570	9,920
Licenses and subscription fees	15,818	11,970
Managerial fees	4,000	-
Board of director's transportation	1,700	1,400
Rent	750	3,000
Advertisements	1,775	2,228
Other	2,502	650
	<u>42,215</u>	<u>34,374</u>

13. FINANCIAL INSTRUMENTS

Share Capital Risks Management

The Company manages its capital to make sure that the Company will continue when it is take the highest return by the best limit for debts and owners' equity balances the Company overall strategy did not change from 2015.

Structuring of Company's capital includes debt which includes borrowing, and the owners' equity in the Company which includes share capital, statutory reserve, and accumulated losses and partner's current account as it listed in the changes in owners' equity statement.

The debt rate

The General Assembly is reviewing the share capital structure periodically, As a part of this reviewing, the general assembly consider the cost of share capital and the risks that is related in each faction from capital and debt factions, The Company capital structure includes debts from the borrowing, The Company's doesn't determine the highest limit of the debt rate.

Financial risks management

Company activities could mainly be exposed to financial risks that arising from the following:

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Foreign currencies risks management

The company is not exposed to significant risks related to foreign currency price changes, so there is no need to effective management for this exposure.

Interest rate risk

The Company is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits, interest bearing loans and borrowings).

The sensitivity of the income statement is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and financial liabilities held.

Credit risk

Credit risk is defined as the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge an obligation, the Company maintains cash at financial institutions with suitable credit rating, the Company looks forward to reduce the credit risk by maintaining a proper control over the customer's credit limits and collection process and take provisions for doubtful accounts.

Liquidity risk

Are the risks of inability to pay the financial obligations that were settled by receiving cash or another financial assets. Liquidity risk management by control on cash flows and comparing them with maturities of assets and financial liabilities.

14. SECTORIAL INFORMATION

The Company works in the following operational segment, the Company work in one geographic sector is the Hashemite kingdom of Jordan.

The details of the profits and losses of the Company's operating segments are as follows:

	Segment losses	
	2016	2015
Segments expenses	(22,215)	(34,374)
	(22,215)	(34,374)

The total assets and liabilities of the Company's operating segments are as follows:

	Segment assets		Segment liabilities	
	2016	2015	2016	2015
Real estate investment sector	5,005,500	5,005,500	147,769	147,769
Financial assets investment sector	1,476,751	1,476,751	109,566	77,761
Other sector	11,488	3,292	160,110	161,504
	6,493,739	6,485,543	417,445	387,034

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15. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorized for issuance February 11, 2017.

16. COMPARATIVE FIGURES

Certain figures for 2015 have been reclassified to conform to the presentation in the current year.